



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

January 26, 2011

Mr. Bill Howell
United States Department of the Interior
Office of Budget
1849 C St., N.W., MS-4116
Washington, D.C. 20240

Dear Mr. Howell:

In compliance with Chapter 69, Title 31 U.S. Code, §6901-6907, commonly referred to as the Payments in Lieu of Taxes (PILT) Act, we are enclosing the following requested information to replace previously issued reports for 2009 and 2010:

- Attachment A Statement of Federal Land Payments during the period
October 1, 2010 through September 30, 2009
- Attachment B Statement of Federal Land Payments during the period
October 1, 2009 through September 30, 2010
- Attachment C Code of Virginia Chapter 8, Public School Funds, Article 3
§ 22.1-108, *Money derived from forest reserve*

The total amounts disbursed for Timber Payments match the amounts reported on Enclosure 2, which were received on October 29, 2009 and November 8, 2010 from the United States Department of the Interior. The disbursements are included on the Statements of Federal Land Payments.

The total amounts disbursed for Minerals Management Service Payments include undistributed funds at the end of federal fiscal years 2008 and 2009 that were subsequently distributed during federal fiscal years 2009 and 2010, respectively, and therefore do not match Enclosure 2 by the amount of these funds and funds distributed during federal fiscal years 2010 and 2011, respectively. Details on the distribution of these payments are disclosed in Note 1 of the Statements of Federal Land Payments.

The total amounts disbursed for Federal Energy Regulatory Commission (FERC) Power Sales include undistributed funds at the end of federal fiscal years 2008 and 2009 that were subsequently distributed during federal fiscal years 2009 and 2010, respectively, and therefore do not match Enclosure 2 by the amount of these funds and funds distributed during federal fiscal years 2010 and 2011. Details on the distribution of these payments are disclosed in Note 2 of the Statements of Federal Land Payments.

Should you have any questions concerning the report, please contact DeAnn Compton, at:

Phone: (804) 225-3350
Fax: (804) 225-3357
e-mail: DeAnn.Compton@apa.virginia.gov

AUDITOR OF PUBLIC ACCOUNTS

DBC/alh

cc: The Honorable Robert F. McDonnell, Governor of Virginia
Marie Williams, Department of Education
Valerie Thomson, Department of Environmental Quality
Chris Moore, Department of Environmental Quality

COMMONWEALTH OF VIRGINIA
STATEMENT OF FEDERAL LAND PAYMENTS
For the Period October 1, 2008 through September 30, 2009

<u>Governmental Unit</u>	<u>Timber Payments</u>	<u>Mineral Management Service Payments Note 1</u>	<u>FERC Power Sales Note 2</u>	<u>Total Recommended for Acceptance</u>
Alleghany County	\$ 221,404.00	\$ 637.21	\$ -	\$ 222,041.21
Amherst County	93,181.00	259.95	93.04	93,533.99
Augusta County	285,133.00	880.58	-	286,013.58
Bath County	170,539.00	780.18	20,903.94	192,223.12
Bedford County	21,125.00	2,470.41	-	23,595.41
Bland County	170,231.00	10,055.86	-	180,286.86
Botetourt County	83,906.00	8,998.12	-	92,904.12
Brunswick County	-	-	5,695.31	5,695.31
Carroll County	15,519.00	956.41	-	16,475.41
Chesapeake City	-	-	-	-
Craig County	200,773.00	15,277.86	-	216,0050.86
Dickenson County	23,056.00	1,134.92	-	24,190.92
Frederick County	5,843.00	21.94	-	5,864.94
Giles County	129,947.00	8,361.25	-	138,308.25
Grayson County	86,498.00	4,355.65	-	90,853.65
Highland County	93,504.00	261.71	-	93,765.71
Lee County	26,308.00	1,487.85	-	27,795.85
Mecklenburg County	-	-	-	-
Montgomery County	43,066.00	2,553.72	-	45,619.72
Nelson County	5,760.00	89.05	-	5,849.05
Page County	60,635.00	121.64	-	60,756.64
Portsmouth City	-	-	-	-
Pulaski County	28,765.00	2,531.79	-	31,296.79
Roanoke County	3,082.00	412.14	-	3,494.14
Rockbridge County	90,162.00	3,014.30	-	93,176.30
Rockingham County	40,614.00	627.89	-	41,241.89
Scott County	79,202.00	4,539.14	-	83,741.14
Shenandoah County	22,089.00	341.61	-	22,430.61
Smyth County	140,537.00	9,825.97	-	150,362.97
Tazewell County	17,050.00	1,288.65	-	18,338.65
Warren County	1,827.00	28.25	-	1,855.25
Washington County	34,736.00	2,927.36	-	37,663.36
Wise County	72,244.00	4,788.85	-	77,032.85
Wythe County	96,132.00	7,663.93	-	103,795.93
TOTAL	<u>\$2,362,868.00</u>	<u>\$96,694.19</u>	<u>\$26,692.29</u>	<u>\$2,486,254.48</u>

Note 1: During federal fiscal year 2009, the amount reported for Minerals Management Service Payments on Enclosure 2 from the Department of the Interior was \$71,611. Actual cash payments to localities during federal fiscal year 2009 totaled \$96,694.19, which includes payments of \$35,292.74, which were undistributed funds at the end of federal fiscal year 2008. Additionally, this statement does not include undistributed funds of \$10,209.55 at the end of federal fiscal year 2009, which will be included in our statement for federal fiscal year 2010 below.

Note 2: FERC electronically submits Power Sales funds to Virginia's Department of Treasury, who in turn transfers the funds to Virginia's Department of Education for disbursement to localities. FERC Power Sales payments on Enclosure 2 from the U.S. Department of the Interior totaled \$38,863.07; however, the amount listed above includes \$26,692.29 that was undistributed at the end of federal fiscal year 2008 and was subsequently distributed to localities during federal fiscal year 2009. The Enclosure 2 amount of \$38,863.07 was not transferred to Virginia's Department of Education for disbursement until federal fiscal year 2010 and will be included in our statement for federal fiscal year 2010 below.

COMMONWEALTH OF VIRGINIA
STATEMENT OF FEDERAL LAND PAYMENTS
For the Period October 1, 2009 through September 30, 2010

<u>Governmental Unit</u>	<u>Timber Payments</u>	<u>Mineral Management Service Payments Note 1</u>	<u>FERC Power Sales Note 2</u>	<u>Total Recommended for Acceptance</u>
Alleghany County	\$ 198,906.72	\$ -	\$ -	\$ 198,906.72
Amherst County	83,408.79	-	-	83,408.79
Augusta County	257,013.09	-	-	257,013.09
Bath County	154,841.15	-	32,081.41	186,922.56
Bedford County	18,379.81	272.75	225.72	18,878.28
Bland County	154,281.87	1,110.14	-	155,392.01
Botetourt County	70,334.94	986.93	-	71,321.87
Brunswick County	-	-	-	-
Carroll County	13,987.20	105.60	-	14,092.80
Chesapeake City	-	-	-	-
Craig County	188,534.55	1,686.71	-	190,221.26
Dickenson County	21,049.74	6,121.65	-	27,171.39
Frederick County	5,261.68	-	-	5,261.68
Giles County	121,004.02	923.08	-	121,927.10
Grayson County	81,033.42	480.87	-	81,514.29
Highland County	87,986.17	-	-	87,986.17
Lee County	24,184.64	164.30	-	24,348.94
Mecklenburg County	-	-	6,555.94	6,555.94
Montgomery County	37,578.67	281.91	-	37,860.58
Nelson County	5,565.70	-	-	5,565.70
Page County	54,514.98	-	-	54,514.98
Portsmouth City	-	-	-	-
Pulaski County	28,558.17	279.56	-	28,837.73
Roanoke County	2,861.43	45.50	-	2,906.93
Rockbridge County	81,756.62	310.20	-	82,066.82
Rockingham County	39,243.97	-	-	39,243.97
Scott County	71,248.07	501.15	-	71,749.22
Shenandoah County	21,352.35	-	-	21,352.35
Smyth County	133,533.98	1,084.81	-	134,618.79
Tazewell County	14,838.59	142.24	-	14,980.83
Warren County	1,765.86	-	-	1,765.86
Washington County	31,444.68	323.21	-	31,767.89
Wise County	66,806.16	528.70	-	67,334.86
Wythe County	90,374.24	846.11	-	91,220.35
TOTAL	<u>\$2,161,651.26</u>	<u>\$16,195.42</u>	<u>\$38,863.07</u>	<u>\$2,216,709.75</u>

Note 1: During federal fiscal year 2009, the amount reported for Minerals Management Service Payments on Enclosure 2 from the Department of the Interior was \$25,544. Actual cash payments to localities during federal fiscal year 2010 totaled \$16,195.42, which includes payments of \$10,209.55, which were undistributed funds at the end of federal fiscal year 2009. Additionally, this statement does not include undistributed funds of \$19,558.13 at the end of federal fiscal year 2010, which will be included in our statement for federal fiscal year 2011.

Note 2: FERC electronically submits Power Sales funds to Virginia's Department of Treasury, who in turn transfers the funds to Virginia's Department of Education for disbursement to localities. FERC Power Sales payments on Enclosure 2 from the U.S. Department of the Interior totaled \$0; however, the amount listed above includes \$38,863.07 that was undistributed at the end of federal fiscal year 2009 and was subsequently distributed to localities during federal fiscal year 2010.

Code of Virginia Chapter 8, Public School Funds, Article 3

[§ 22.1-108.](#) Money derived from forest reserve.

All federal funds paid to the Commonwealth arising from the forest reserve shall be paid to the State Treasurer to be distributed and disposed of as provided in this section.

The treasurer of each school division within whose boundaries there is located any land owned by the United States government and held as a forest reserve shall ascertain the area of such land so situated in the school division and the reserve in which the same is located and make a report thereof to the Comptroller. Upon receipt of such information from the treasurer, the Comptroller shall apportion all federal funds arising from such forest reserve among the school divisions in which such forest reserve is located according to the area in each school division. The Comptroller shall keep separate accounts of all federal forest reserve funds received by him.